

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by changing  
5 Section 14-104 as follows:

6 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

7 Sec. 14-104. Service for which contributions permitted.  
8 Contributions provided for in this Section shall cover the  
9 period of service granted. Except as otherwise provided in this  
10 Section, the contributions shall be based upon the employee's  
11 compensation and contribution rate in effect on the date he  
12 last became a member of the System; provided that for all  
13 employment prior to January 1, 1969 the contribution rate shall  
14 be that in effect for a noncovered employee on the date he last  
15 became a member of the System. Except as otherwise provided in  
16 this Section, contributions permitted under this Section shall  
17 include regular interest from the date an employee last became  
18 a member of the System to the date of payment.

19 These contributions must be paid in full before retirement  
20 either in a lump sum or in installment payments in accordance  
21 with such rules as may be adopted by the board.

22 (a) Any member may make contributions as required in this  
23 Section for any period of service, subsequent to the date of

1 establishment, but prior to the date of membership.

2 (b) Any employee who had been previously excluded from  
3 membership because of age at entry and subsequently became  
4 eligible may elect to make contributions as required in this  
5 Section for the period of service during which he was  
6 ineligible.

7 (c) An employee of the Department of Insurance who, after  
8 January 1, 1944 but prior to becoming eligible for membership,  
9 received salary from funds of insurance companies in the  
10 process of rehabilitation, liquidation, conservation or  
11 dissolution, may elect to make contributions as required in  
12 this Section for such service.

13 (d) Any employee who rendered service in a State office to  
14 which he was elected, or rendered service in the elective  
15 office of Clerk of the Appellate Court prior to the date he  
16 became a member, may make contributions for such service as  
17 required in this Section. Any member who served by appointment  
18 of the Governor under the Civil Administrative Code of Illinois  
19 and did not participate in this System may make contributions  
20 as required in this Section for such service.

21 (e) Any person employed by the United States government or  
22 any instrumentality or agency thereof from January 1, 1942  
23 through November 15, 1946 as the result of a transfer from  
24 State service by executive order of the President of the United  
25 States shall be entitled to prior service credit covering the  
26 period from January 1, 1942 through December 31, 1943 as

1 provided for in this Article and to membership service credit  
2 for the period from January 1, 1944 through November 15, 1946  
3 by making the contributions required in this Section. A person  
4 so employed on January 1, 1944 but whose employment began after  
5 January 1, 1942 may qualify for prior service and membership  
6 service credit under the same conditions.

7 (f) An employee of the Department of Labor of the State of  
8 Illinois who performed services for and under the supervision  
9 of that Department prior to January 1, 1944 but who was  
10 compensated for those services directly by federal funds and  
11 not by a warrant of the Auditor of Public Accounts paid by the  
12 State Treasurer may establish credit for such employment by  
13 making the contributions required in this Section. An employee  
14 of the Department of Agriculture of the State of Illinois, who  
15 performed services for and under the supervision of that  
16 Department prior to June 1, 1963, but was compensated for those  
17 services directly by federal funds and not paid by a warrant of  
18 the Auditor of Public Accounts paid by the State Treasurer, and  
19 who did not contribute to any other public employee retirement  
20 system for such service, may establish credit for such  
21 employment by making the contributions required in this  
22 Section.

23 (g) Any employee who executed a waiver of membership within  
24 60 days prior to January 1, 1944 may, at any time while in the  
25 service of a department, file with the board a rescission of  
26 such waiver. Upon making the contributions required by this

1 Section, the member shall be granted the creditable service  
2 that would have been received if the waiver had not been  
3 executed.

4 (h) Until May 1, 1990, an employee who was employed on a  
5 full-time basis by a regional planning commission for at least  
6 5 continuous years may establish creditable service for such  
7 employment by making the contributions required under this  
8 Section, provided that any credits earned by the employee in  
9 the commission's retirement plan have been terminated.

10 (i) Any person who rendered full time contractual services  
11 to the General Assembly as a member of a legislative staff may  
12 establish service credit for up to 8 years of such services by  
13 making the contributions required under this Section, provided  
14 that application therefor is made not later than July 1, 1991.

15 (j) By paying the contributions otherwise required under  
16 this Section, plus an amount determined by the Board to be  
17 equal to the employer's normal cost of the benefit plus  
18 interest, but with all of the interest calculated from the date  
19 the employee last became a member of the System or November 19,  
20 1991, whichever is later, to the date of payment, an employee  
21 may establish service credit for a period of up to 2 years  
22 spent in active military service for which he does not qualify  
23 for credit under Section 14-105, provided that (1) he was not  
24 dishonorably discharged from such military service, and (2) the  
25 amount of service credit established by a member under this  
26 subsection (j), when added to the amount of military service

1 credit granted to the member under subsection (b) of Section  
2 14-105, shall not exceed 5 years. The change in the manner of  
3 calculating interest under this subsection (j) made by this  
4 amendatory Act of the 92nd General Assembly applies to credit  
5 purchased by an employee on or after its effective date and  
6 does not entitle any person to a refund of contributions or  
7 interest already paid.

8 (k) An employee who was employed on a full-time basis by  
9 the Illinois State's Attorneys Association Statewide Appellate  
10 Assistance Service LEAA-ILEC grant project prior to the time  
11 that project became the State's Attorneys Appellate Service  
12 Commission, now the Office of the State's Attorneys Appellate  
13 Prosecutor, an agency of State government, may establish  
14 creditable service for not more than 60 months service for such  
15 employment by making contributions required under this  
16 Section.

17 (l) By paying the contributions otherwise required under  
18 this Section, plus an amount determined by the Board to be  
19 equal to the employer's normal cost of the benefit plus  
20 interest, a member may establish service credit for periods of  
21 less than one year spent on authorized leave of absence from  
22 service, provided that (1) the period of leave began on or  
23 after January 1, 1982 and (2) any credit established by the  
24 member for the period of leave in any other public employee  
25 retirement system has been terminated. A member may establish  
26 service credit under this subsection for more than one period

1 of authorized leave, and in that case the total period of  
2 service credit established by the member under this subsection  
3 may exceed one year. In determining the contributions required  
4 for establishing service credit under this subsection, the  
5 interest shall be calculated from the beginning of the leave of  
6 absence to the date of payment.

7 (l-5) By paying the contributions otherwise required under  
8 this Section, plus an amount determined by the Board to be  
9 equal to the employer's normal cost of the benefit plus  
10 interest, a member may establish service credit for periods of  
11 up to 2 years spent on authorized leave of absence from  
12 service, provided that during that leave the member represented  
13 or was employed as an officer or employee of a statewide labor  
14 organization that represents members of this System. In  
15 determining the contributions required for establishing  
16 service credit under this subsection, the interest shall be  
17 calculated from the beginning of the leave of absence to the  
18 date of payment.

19 (m) Any person who rendered contractual services to a  
20 member of the General Assembly as a worker in the member's  
21 district office may establish creditable service for up to 3  
22 years of those contractual services by making the contributions  
23 required under this Section. The System shall determine a  
24 full-time salary equivalent for the purpose of calculating the  
25 required contribution. To establish credit under this  
26 subsection, the applicant must apply to the System by March 1,

1 1998.

2 (n) Any person who rendered contractual services to a  
3 member of the General Assembly as a worker providing  
4 constituent services to persons in the member's district may  
5 establish creditable service for up to 8 years of those  
6 contractual services by making the contributions required  
7 under this Section. The System shall determine a full-time  
8 salary equivalent for the purpose of calculating the required  
9 contribution. To establish credit under this subsection, the  
10 applicant must apply to the System by March 1, 1998.

11 (o) A member who participated in the Illinois Legislative  
12 Staff Internship Program may establish creditable service for  
13 up to one year of that participation by making the contribution  
14 required under this Section. The System shall determine a  
15 full-time salary equivalent for the purpose of calculating the  
16 required contribution. Credit may not be established under this  
17 subsection for any period for which service credit is  
18 established under any other provision of this Code.

19 (p) By paying the contributions otherwise required under  
20 this Section, plus an amount determined by the Board to be  
21 equal to the employer's normal cost of the benefit plus  
22 interest, a member may establish service credit for a period of  
23 up to 8 years during which he or she was employed by the  
24 Visually Handicapped Managers of Illinois in a vending program  
25 operated under a contractual agreement with the Department of  
26 Rehabilitation Services or its successor agency.

1           This subsection (p) applies without regard to whether the  
2 person was in service on or after the effective date of this  
3 amendatory Act of the 94th General Assembly. In the case of a  
4 person who is receiving a retirement annuity on that effective  
5 date, the increase, if any, shall begin to accrue on the first  
6 annuity payment date following receipt by the System of the  
7 contributions required under this subsection (p).

8           (q) By paying the required contributions under this  
9 Section, plus an amount determined by the Board to be equal to  
10 the employer's normal cost of the benefit plus interest, an  
11 employee who was laid off but returned to State employment  
12 under circumstances in which the employee is considered to have  
13 been in continuous service for purposes of determining  
14 seniority may establish creditable service for the period of  
15 the layoff, provided that (1) the applicant applies for the  
16 creditable service under this subsection (q) within 6 months  
17 after the effective date of this amendatory Act of the 94th  
18 General Assembly, (2) the applicant does not receive credit for  
19 that period under any other provision of this Code, (3) at the  
20 time of the layoff, the applicant is not in an initial  
21 probationary status consistent with the rules of the Department  
22 of Central Management Services, and (4) the total amount of  
23 creditable service established by the applicant under this  
24 subsection (q) does not exceed 3 years. For service established  
25 under this subsection (q), the required employee contribution  
26 shall be based on the rate of compensation earned by the



1 employee on the date of returning to employment after the  
2 layoff and the contribution rate then in effect, and the  
3 required interest shall be calculated from the date of  
4 returning to employment after the layoff to the date of  
5 payment.

6 (r) A member who worked as a nurse under a contractual  
7 agreement for the Department of Public Aid, or its successor  
8 agency, the Department of Human Services, in the Client  
9 Assessment Unit and was subsequently determined to be a State  
10 employee by the United States Internal Revenue Service and the  
11 Illinois Labor Relations Board may establish creditable  
12 service for those contractual services by making the  
13 contributions required under this Section. To establish credit  
14 under this subsection, the applicant must apply to the System  
15 by July 1, 2008.

16 The Department of Human Services shall pay an employer  
17 contribution based upon an amount determined by the Board to be  
18 equal to the employer's normal cost of the benefit, plus  
19 interest.

20 In compliance with Section 14-152.1 added by Public Act  
21 94-4, the cost of the benefits provided by this amendatory Act  
22 of the 95th General Assembly are offset by the required  
23 employee and employer contributions.

24 (Source: P.A. 94-612, eff. 8-18-05; 94-1111, eff. 2-27-07.)

25 Section 99. Effective date. This Act takes effect upon  
26 becoming law.